

sec news digest

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RULES AND RELATED MATTERS

RULE 205-3 PROPOSED FOR COMMENT

The Commission is proposing for public comment Rule 205-3 under the Investment Advisers Act of 1940. The proposed rule would permit a registered investment adviser to enter into an advisory contract with a client that provided for performance based compensation, provided certain conditions were met relating to the client's financial sophistication and the contract related to net assets of at least \$150,000. Comments should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549, on or before September 12 and should refer to File No. S7-981. All comments will be available for public inspection at the Commission's Public Reference Room. (Rel. IA-865)

FOR FURTHER INFORMATION CONTACT: Forrest R. Foss at (202) 272-2079

COMMENTS SOUGHT ON SHELF REGISTRATION RULE

The Commission is soliciting comment on the shelf registration rule, which relates to the registration of securities to be offered and sold on a delayed or continuous basis. This solicitation of public comment is intended to afford all interested parties the opportunity to provide their views and experience under Rule 415 so that the Commission may consider all such views in making its final determination with respect to the Rule, which is effective until December 31, 1983. Comments should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549, on or before September 12 and should refer to File S7-979. (Rel. 33-6470)

FOR FURTHER INFORMATION CONTACT: Steven L. Molinari at (202) 272-2589

ADMINISTRATIVE PROCEEDINGS

SUSPENSION IMPOSED UPON SUSAN L. SLANKER

The Commission has determined to accept the Offer of Settlement by Susan L. Slanker of New York, New York in which she consented to findings that she wilfully aided and abetted violations of Sections 15(c)(3) and 17(a) of the Securities Exchange Act of 1934 and Rule 15c3-1, 15c3-3 and 17a-3 by T. E. Slanker Company and T. E. Slanker Company, Incorporated, Portland, Oregon broker-dealers. She consented to be suspended for a period of six months from association with any broker or dealer and to a bar from association with any broker or dealer in any supervisory or proprietary capacity. (Rel. 34-19830)

CIVIL PROCEEDINGS

CIVIL INJUNCTIVE ACTION ENTERED AGAINST FOX & COMPANY

The Commission announced on June 8 the filing of a complaint in the U.S. District Court for the Southern District of New York against Fox & Company, a national accounting firm. The Commission's complaint seeks a permanent injunction against Fox, enjoining it from aiding and abetting violations of Sections 10(b) and 13(a) of the Securities Exchange Act of 1934 and Rules 10b-5, 12b-20 and 13a-1, and Section 17(a) of the Securities Act of 1933.

In addition, the complaint seeks an order requiring that a Special Review Committee examine the manner in which Fox conducts its audit practice with respect to their clients whose financial statements are required to be filed with the Commission, that the Committee's report be submitted to the Commission staff and filed with the Court, and that Fox adopt and implement all recommendations the Committee may make.

Moreover, the complaint seeks an order prohibiting Fox from accepting audit engagements from new SEC audit clients until Fox has adopted and implemented the recommendations of the Committee. The complaint also seeks an order requiring a supplemental review be performed after one year to determine whether Fox has adopted and effectively implemented the recommendations made by the Committee.

The complaint alleges that Fox examined and reported on the 1979 and 1980 financial statements of Saxon Industries, Inc., the 1980 and 1981 financial statements of Flight Transportation Corp., and the 1981 financial statements of Alpex Computer Corp. The complaint alleges that Fox issued unqualified accountants' reports concerning financial statements and that such reports were false and misleading in that they stated that Fox's examinations of the financial statements were made in accordance with generally accepted auditing standards and that in Fox's opinion the financial statements fairly presented the financial position and results of operations of Saxon, Flight and Alpex, respectively, in conformity with generally accepted accounting principles. (Fox's opinion on Alpex's financial statements was qualified only with respect to Alpex's ability to continue as a going concern and the outcome of litigation.)

The complaint also alleged that Fox knew or should have known that its reports were materially false and misleading in that the financial statements did not fairly present the consolidated financial positions of Saxon, Flight and Alpex, and the results of their operations and the changes in their financial positions in conformity with GAAP applied on a consistent basis. (SEC v. Fox & Company, U.S.D.C. S.D.N.Y., Civil Action No. 83-4311). (LR-10022)

OSR CORPORATION ENJOINED

The Commission announced that on June 7 the U.S. District Court for the District of Columbia entered a Final Judgment of Permanent Injunction against OSR Corporation of Old Bethpage, New York, restraining and enjoining OSR from failing to file timely periodic reports and ordering it to comply with certain undertakings. The Commission's complaint, filed on April 29, alleged that OSR, as part of a continuing course of violative conduct extending over several years, failed to file and file timely with the Commission certain annual and quarterly reports required to have been filed. OSR, consenting to the entry of the Court's judgment, admitted that it had filed reports in an untimely manner on 15 separate occasions and failed to file Notifications of Late Filing on 11 separate occasions. (SEC v. OSR Corporation, U.S.D.C. D.C., Civil Action No. 83-1246). (LR-10027)

INVESTMENT COMPANY ACT RELEASES

PHAROS TREND FUND, INC.

An order has been issued by the Commission on its own motion, pursuant to Section 8(f) of the Investment Company Act of 1940, declaring that Pharos Trend Fund, Inc., registered under the Act as an open-end, non-diversified, management investment company, has ceased to be an investment company. (Rel. IC-13309 - June 8)

HOLDING COMPANY ACT RELEASES

NEW ENGLAND ELECTRIC SYSTEM

A notice has been issued giving interested persons until July 5 to request a hearing on a proposal by New England Electric System (NEES), and its subsidiaries, New England Power Company (NEPCO) and New England Energy Incorporated (NEEI), relating to a joint venture of NEEI and Keystone Shipping Company to construct, own and operate a collier to transport coal to NEPCO's plants. In lieu of a leveraged lease arrangement to provide permanent equity financing for the collier as previously contemplated, the companies now propose that the joint venture retain full ownership of the vessel and, in connection therewith, that: (1) NEEI invest up to \$15 million in the joint venture as its share in the equity of the collier; (2) NEES invest up to \$15 million in NEEI for the purpose set forth in (1); and (3) necessary, related amendments be made to the Joint Venture Agreement between NEEI and Keystone and to the Time Charter between NEPCO and the joint venture. (Rel. 35-22968 - June 8)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form, Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; File number and date filed; Assigned Branch; if the registration statement is a New Issue; and [S] denoting SHELF REGISTRATION pursuant to Rule 415.

- (S-18) NORTHLAND CABLE PROPERTIES-I, 2520 One Union Square Bldg., Seattle, WA 98101 (206) 621-1351 - 5,000 units of limited partnership (\$250 per unit). The company is engaged in providing cable television service. (File 2-84208-S - June 3) (Br. 8 - New Issue)
- (F-6) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 30 West Broadway, New York, NY 10015 (212) 483-2323 - 500,000 American Depositary shares for Banco Central, S.A. (File 2-84293 - June 7) (Br. 99 - New Issue)
- (S-1's) APPLIED BIOSYSTEMS, INC., 850 Lincoln Centre Dr., Foster City, CA 94404 (415) 570-6667 - 400,000; 100,000 shares of common stock. (File 2-84306; 2-84307 - June 8) (Br. 8)
- (S-6) KEMPER TAX-EXEMPT INSURED INCOME TRUST, SERIES 1, 120 South LaSalle St., Chicago, IL 60603 - 1,000 units. Depositor: Kemper Financial Services, Inc. (File 2-84315 - June 7) (Br. 16 - New Issue)
- (S-3) COOPER LABORATORIES, INC., 3145 Porter Dr., Palo Alto, CA 94304 (415) 856-5000 - 200,000 shares of common stock. The company develops, manufactures and sells drugs, devices and diagnostics used primarily in specialty medical and dental practices. (File 2-84318 - June 8) (Br. 4)
- (S-3) THE SEAGRAM COMPANY LTD.-LA COMPAGNIE SEAGRAM LTEE, 1430 Peel St., Quebec, Canada H3A 1S9 (514) 849-5271 - 3,500,000 common shares. (File 2-84319 - June 8) (Br. 1) [S]
- (S-1) NATIONAL INFORMATION UTILITIES CORPORATION, 1600 Anderson Rd., McLean, VA 22102 (703) 734-7000 - 2,000,000 shares of common stock. Underwriter: Rooney, Pace Inc. The company is seeking to establish a low cost, high-speed, addressable telecommunications service. (File 2-84320 - June 8) (Br. 7 - New Issue)
- (S-3) REXNORD INC., 3500 First Wisconsin Center, Milwaukee, WI 53202 (414) 643-3000 - \$75 million of debt securities. Underwriters: Morgan Stanley & Co. Incorporated and Robert W. Biard & Co. Incorporated. The company is a producer of power transmission components, among other things. (File 2-84321 - June 8) (Br. 9) [S]
- (S-1) APACHE PETROLEUM COMPANY, Foshay Tower, Minneapolis, MN 55402 (612) 332-7222 - 2,000,000 composite units. Underwriters: E.F. Hutton & Company Inc., Dean Witter Reynolds Inc., Smith Barney, Harris Upham & Co. Incorporated and Piper, Jaffray & Hopwood Incorporated. The company is engaged in the exploration for, and development and production of, oil and natural gas. (File 2-84322 - June 8) (Br. 4) [S]
- (S-14) THE CRS GROUP, INC., 1177 West Loop South, Suite 900, Houston, TX 77027 (713) 658-9511 - 1,750,000 shares of common stock. (File 2-84323 - June 9) (Br. 9)
- (S-3) GRAPHIC SCANNING CORP., 329 Alfred Ave., Teaneck, NJ 07666 (201) 837-5100 - 60,000 shares of common stock. The company provides a wide variety of specialized data and message processing and communications services. (File 2-84324 - June 9) (Br. 4) [S]
- (S-1) TELLABS, INC., 4951 Indiana Ave., Lisle, IL 60532 (312) 969-8800 - 750,000 shares of common stock. Underwriters: Morgan Stanley & Co. Incorporated and Hambrecht & Quist Incorporated. The company designs, manufactures and markets a wide range of products used by independent telephone operating companies. (File 2-84325 - June 9) (Br. 7)
- (S-8) TYMSHARE, INC., 20705 Valley Green Dr., Cupertino, CA 95014 (408) 446-6000 - 350,000 shares of common stock. (File 2-84327 - June 9) (Br. 10)
- (S-14) SJNB FINANCIAL CORP., One North Market St., San Jose, CA 95113 (408) 947-7562 - 1,098,207 shares of common stock. (File 2-84328 - June 9) (Br. 2 - New Issue)

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the prior percent owned; and Column 7 - the status of the filing, i.e., new, update, or revision.

	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
ATLANTIC MET CORP HALLWOOD HOLDINGS B V	SH BEN INT 13D	4/15/83	3,902 11.7	04869410 8.4	UPDATE
BLUE BELL INC BASS SID R. ET AL	COM 13D	5/25/83	2,436 19.1	09529310 18.7	UPDATE
EDUCATORS INVESTMENT CORP ARGENTUM INTERNATL LTD	COM 14D-1	6/ 8/83	191 13.6	28156110 15.9	UPDATE
EDUCATORS INVESTMENT CORP ARGENTUM INTERNATL LTD	COM 14D-1	6/ 8/83	191 13.6	28156110 15.9	UPDATE
FT INDUSTRIES INC SCHAEFER ROWLAND	COM 13D	4/ 8/83	419 25.7	30265010 25.7	RYSION
FIRST COLONY SAV LN ASSOC FIRST FINANCIAL SAV LN ASSOC	COM 14D-1	6/ 7/83	0 N/A	31975090 N/A	NEW
GRANITEVILLE CO SOUTHEASTERN PBL SVC CO ET AL	COM 14D-1	6/ 7/83	1,140 22.9	38747810 22.7	UPDATE
GREATWEST HOSPS INC DUKES ROBERT ET AL	COM 13D	5/12/83	9 0.2	39241510 2.2	UPDATE
GREATWEST HOSPS INC GIBSON A.H. GARRY	COM 13D	5/12/83	89 1.8	39241510 4.2	UPDATE
HRT INDS INC GAYMARK ASSOCIATES ET AL	COM 13D	5/26/83	242 6.9	40426910 5.5	UPDATE
INDEPENDENCE NATL CORP CONSOLIDATED NATL CORP	CL A 13D	5/26/83	627 63.9	45373210 63.9	UPDATE
INDEPENDENCE NATIONAL CORP CONSOLIDATED NATL CORP	COM CL B 13D	5/26/83	25 49.6	45373290 36.2	UPDATE
INTERMAGNETICS GEN CORP ROLAND MAGNETICS INC	COM 13D	5/27/83	239 6.7	45877110 22.9	UPDATE
MAC DERMID INC ESMARK INC	COM 13D	6/ 2/83	0 0.0	55427310 6.7	UPDATE
MARYLAND REALTY TRUST FEDERATED DEVL P CO ET AL	SH BEN INT 13D	5/23/83	816 45.7	57417110 44.0	UPDATE
OREGON PORTLAND CEM CO ASH GROVE CEMENT CO ET AL	CL A 13D	6/ 3/83	286 30.5	68605010 26.0	UPDATE
PEABODY INTL CORP CHESAPEAKE INS CO LTD ET AL	COM 13D	6/ 2/83	2,112 20.3	70456210 18.9	UPDATE
PRIMARK CORP CENTRAL NATL CORP ET AL	COM 13D	5/27/83	482 8.2	74190310 6.3	UPDATE